The Oil World.

An Independent Weekly — *Devoted to Oil Industry*

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PROTECTION FROM HEAVY INCOME TAX ALLOWED OIL MEN

Senate Finance Committee Has Adopted Amendment to War Revenue Bill.

20% OF SELLING PRICE OF PROPERTY IS RATE SET

Also Agrees on 30% of Net Income in Excess of Excess Profits Deduction on Net Capital.

WASHINGTON, Nov. 15.—Following extended recommendations made to it by General Director Mark L. Requa of the Oil Division, Fuel Administration, and by representatives of oil producers throughout the country, the Senate finance committee adopted an amendment to the income tax provisions of the revenue bill by which a "reasonable allowance for depreciation," determined under specified conditions, will be granted. Another amendment adopted by the committee, which also was proposed by Mr. Requa, extended special protection in the payment of income tax by persons who sell mines, oil or gas wells.

At the time of writing, the new revenue bill is due to be reported out by the Senate committee any day. The provisions granting relief to oil producers will probably be debated on the floor of the Senate. It is noteworthy that the Senate committee's recommendations are considered fairer than those adopted by the House, and it is reasonable to expect that some definite relief will actually be granted the oil producer.

Mr. Requa testified before the Senate finance committee for four and a half hours. The members appeared willing to give the matter the most thorough consideration, and Mr. Requa, in addition to submitting a great bulk of statistics and data, was closely questioned as to his views. Finally he was asked to draft amendments which he deemed necessary and proper to meet the situation, and these amendments were substantially sanctioned by the committee.

The income tax amendment adopted by the committee allows a reasonable deduction to be determined on the basis of the fair market value of the properties, both as to properties acquired prior to March 1, 1913, and as to properties discovered subsequently. Where properties are under lease, the deduction is to be equitably apportioned between the lessor and the lessee. The amendment is designed to give the oil producers the benefit of whatever loss they may have suffered in the development of their properties in order that new properties may be opened up for development, thus providing against a possible shortage of oil due to curtailed field work.

Text of Amendment.

The amendment adopted by the House provided for a 10 per cent deduction for depletion of oil and gas properties, the deduction to be based on the value of their product under ground. The amendment adopted by the Senate finance committee, which takes the place of the House provision, follows:

"In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and depreciation of improvements, according to the peculiar conditions in each case, based upon cost, including cost of development not otherwise deducted; provided, that in the case of such properties acquired prior to March 1, 1913, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost; and provided further, that in the case of mines, oil and gas wells discovered by the taxpayer and not acquired as the result of purchase of a tract or lease, where the fair market value of the property is naturally disproportionate to the cost, the depletion allowance shall be based upon the fair market value of the property at the date of the discovery or within 12 months thereafter, such reasonable allowance in all the above cases to be made under rules and regulations to be prescribed by the commissioner with the approval of the Secretary. In

(Continued on Page Six.)

WORK ON TEXAS PIPE LINES BEING STARTED

Prairie Pipe Line Company Selects Sites for Four Pipe Lines, Announcement Says.

AUSTIN, Tex., Nov. 15.—It is authoritatively announced that the Prairie Pipeline Company has selected sites for four pumping stations upon the route of the 12-inch oil pipeline that it is to construct from Ranger to Pelican Island, Galveston, a distance of approximately 325 miles. These pumping plants will be located at Cypress, Bryan, Hico and Ranger. Because of the fact that the pipeline will be the largest in diameter or capacity every put down in this country the pumping stations will be of unusually large size, it is stated. At each pumping station one or more still storage tanks of 55,000 barrels capacity will be erected, and at the deep-water terminals on Pelican Island twelve of these big tanks will be built. The company will erect seven steel storage tanks, each of 55,000 barrels capacity, near Virginia Point, on the mainland, just across the bay from Galveston. The survey for the proposed pipeline is now well under way. The main offices of the Prairie Pipeline Company are at Independence, Kan. It is subsidiary of the Prairie Oil and Gas Company, which is a Standard Oil Company concern.

At Ranger the pipeline running to Galveston will connect with the pipeline that leads to Cushing, Okla., thence across more than one-half of the continent to Bayonne, N. J.

SUIT INVOLVING ROSS CREEK LEASE PENDING

The question of titles to Kentucky oil properties seems to be a big factor, and a number of suits have been recorded during the past few weeks. The latest involves the Ross Creek Schoolhouse lot in Estill county, being developed by the Trumpet Vine Oil Company, an Indiana corporation. Suit has been instituted against that company by Williams and Raydure, who claim it is a part of the J. I. Raider farm, on which the plaintiffs are operating.

There are two producing wells on the schoolhouse lot, and, pending decision, Federal Judge A. M. J. Cochran has appointed J. D. Bowser receiver.

BEDFORD STILL HEADS SERVICE COMMITTEE

Was One of Officers Who Acted "Buffer" for Oil Administration.

NEW YORK, Nov. 15.—The officers of the Petroleum Committee who guided the affairs of the industry and acted as buffer between the industry itself and the oil administration at Washington during the exceeding difficult six months just passed were unanimously returned to the office at the meeting of the committee last Friday to serve for the coming six months. A. C. Bedford, chairman of the board of the Standard of New Jersey, will continue chairman of the committee and E. C. Lufkin, president of the Texas Company, as vice-chairman. J. A. Moffett, Jr., will continue to serve as secretary-treasurer and C. C. Smith as assistant secretary-treasurer.

Several members, among them Judge M. J. Byrne, former president of the Independent Oil Men's Association, at the meeting lauded the work of Mr. Bedford and Mr. Lufkin in handling the affairs of the committee.

PURITAN OIL COMPANY MAY MERGE WITH PYRAMID

Officials of the Puritan Oil Company, composed of Judge J. M. Stevenson, L. C. Young, A. W. Finley and V. J. Bullet have called a meeting of the stockholders of the company to be held in Louisville, in December, to consider a consolidation with the Pyramid Oil Company, of Winchester. Both of these companies have considerable production in Eastern Kentucky and a consolidation will doubtless be of great benefit to stockholders.

THE OIL WORLD'S NEW QUARTERS.

The OIL WORLD has moved its offices from the Skain Building to Room 20, Phoenix Hotel. Visitors should take notice of this change in quarters. The telephone number of the paper has also been changed to No. 3964. This change of telephone number has been made too late to get in the Telephone Company's book of the current issue. Those doing business with The OIL WORLD by telephone should make particular note of the new telephone number.

The change of quarters of The OIL WORLD was made to keep in closer touch with the oil news of the Kentucky oil fields, as the Phoenix Hotel has, from the start, been the gathering place of the oil men, and the lobby of the Hotel is constantly filled with oil men bringing the news, first hand, of the operations, both in stocks and production. Visitors will receive a hearty welcome to our new offices in Room 20, Phoenix Hotel.

"SAVE OIL" SLOGAN OF FUEL ADMINISTRATION

Oil Conservation Director Robinson Warns Against Leakage and Bad Cooperage.

WASHINGTON, Nov. 15.—W. Champlin Robinson, director of Fuel Conservation for the Food Administration, has made an earnest appeal to the shippers of oil to save every drop heretofore wasted, and to pay particular attention to leakage, due to leaky barrels. His letter to the trade follows:

Dear Sir, "Save Oil":—A recent inspection conducted by one of the largest railway systems in this country developed that 25 per cent. of all barrels containing oil were leaking, many of them wasting large quantities. It is not the waste of this oil alone, but there is thousands of dollars' damage done to foodstuffs and other merchandise, caused by these leaking barrels. Leakage of this nature, occurring on all the railroads handling barreled oil shipments throughout the United States, results in thousands of gallons of oil being wasted daily.

The conservation of oil is a war necessity, and is therefore of great importance. I trust that you will give due consideration to every possible way by which your cooperage can be put in the very best condition, and thus reduce the leakage loss to the minimum. It has been noted that second-hand wooden barrels are, in some cases, being used after being repainted without being given the necessary attention of recooperating, and that iron and steel barrels are not being properly sealed.

I earnestly hope you will give your whole-hearted co-operation in this matter and in every way endeavor to "stop the leaks and save the drops."

Thanking you for your consideration, I am, yours truly, "Save Oil."

United States Fuel Administration,
Oil Division,
W. Champlin Robinson,
Director of Oil Conservation.

WITHDRAWAL ORDER AFFECTS PROSPECTING

Government Modifies Salt Creek, Wyoming, Shut-Down Order and Work is Resumed.

CASPER, Wyo., Nov. 15.—No wells of importance have been completed in Wyoming, and cold weather is stopping considerable work. Work will be pushed as rapidly as possible in the three new fields in Niobrara and Carbon counties—Buck Creek, Rock River and Ferris. Also, since the Government somewhat modified its shut-down order at Salt Creek, work is being resumed there.

The matter of greatest interest in Wyoming just now is the Presidential order of October 16th withdrawing 52,000 acres of government land in Niobrara county, following the completion of a 1,500-barrel well in the Buck Creek district by the Ohio Oil Company. The order was recommended, it is understood, by Attorney General Gregory, the Department of Justice and the Navy Department having adopted a policy of permitting no drilling for oil on government lands. The order will have the effect of stopping some prospect drilling in other parts of Wyoming where public lands are located.

The Tom Bell ranch of 10,000 acres is patented, as are a few other tracts within the prospective field, and thus in the clear. Every oil placer claim of 160 acres on which was was in progress at the date of the withdrawal order will be clear-listed when the record is proved in court, and every oil placer claim properly initiated under the provisions of the placer mining law is equitably entitled to patent; however, some claimants do not feel like fighting the government and may lose out.

Quite a number of rigs had been erected on Buck Creek and Cow Gulch claims before the withdrawal order was issued, and included in the order, but no drilling had been started. If properly pressed every claim on which a rig is standing should be clear-listed, as the placer mining law—absolutely the only statute under which oil and gas claims can be initiated for federal public land—has been technically and literally complied with.

TO REFINE BIG SINKING OIL IN POWELL COUNTY

Plant of Neha Refining Company at Campton Junction About Completed.

Owing to labor conditions in Eastern Kentucky, the plant of the Neha Refining Company, at Campton Junction, Powell county, has not been placed in operation, as the management of the company had expected to do, two weeks ago, but present indications are that it will begin refining oil within about two weeks. The plant, with the exception of a few connections, is practically complete, but the pipe line into the Big Sinking Creek district of Lee county is not yet connected up. The plant has a capacity of 1,000 barrels daily, and contracts for this amount of production have already been closed, it is understood.

JUST LIKE IRVINE WAS IN THE GOOD OLD DAYS

Officials at Ranger, Texas, Arrest Crew for Working on Sunday.

CISCO, Texas, Nov. 15.—Officials of Ranger, Texas, were so intent upon observing Sunday laws that they arrested a crew of men who were unloading fourteen cars of material badly needed in the development of oil fields last Sunday.

The material was shipped into Ranger by the Sun Company in an effort to elieve the congested yardage of stations on both sides of Ranger. The railroads have placed embargoes on shipments on account of this condition.

The federal authorities have been notified of the conscientious officials' efforts to uphold Sunday laws, and their tendency to impede such a necessary war measure as the development of oil fields.

OIL INDUSTRY WILL BE BENEFITTED BY PEACE

War Has Hampered Normal Progress of Business.—Engine Development.

NEW YORK, Nov. 15.—The oil industry was hurt by the war to a greater extent than was realized by the public, because the industry accepted the attendant hardships in silence. New development was seriously interfered with by high costs of labor and materials, and work in foreign fields was practically impossible because of the embargo on exportation of drilling materials.

High war taxes also had the effect of restricting development work, inasmuch as the money ordinarily spent in expansion had to be used for Federal payments.

This country's increased participation in the war this year resulted in "gasolineless" Sundays, and sterner measures might have been necessary had the pinch come earlier in the automobile season.

Peace will enable the industry to get away from those extraordinary conditions and to take advantage of the impetus given the industry by the war, which showed that oil is the great motive power.

In commenting on the oil situation under peace conditions, Carl H. Pforzheimer & Co. says:

"Theer is every reason to expect that for the next three years, at least, there will continue an unprecedented demand for oil. During that period it is likely that the principal problem before the industry will not be one of competition but of supplying the steadily increasing demand for its products.

"The leading Standard Oil companies are now carrying out a gigantic construction program in order to be in a position to supply the anticipated post-war demand and the ultra-conservative record of these companies shows that the ynever have embarked on a big expansion program at a time when there was any reason for uncertainty regarding the immediate future of the industry.

"There has been an urgent demand for oil for war purposes, but the normal progress of the industry has in many ways been hampered during the period of hostilities. It is apparent, however, that the war has hastened the development of oil as a source of power on land and sea and in the air."

OIL PROBLEM IS TRANSPORTATION

Pipeline Running to Full Capacity —Tank Ships Very Scarce.

WASHINGTON, Nov. 15.—The oil problem for the nation is largely one of transportation, according to Harry A. Garfield, the U. S. Fuel Administrator, in a statement surveying the fuel situation at the advent of winter.

The oil and natural gas situation, he says, probably will be somewhat acute because of the steadily increasing domestic and overseas demand for oil and a decrease in the production of natural gas.

The oil situation, at it has been reported to him, is briefly as follows:

"The successful solution of the oil problem is largely one of transportation, tank ships are very scarce and existing pipelines are now running practically to capacity.

"Additional pipeline capacity is being built into the new field at Ranger, Tex., but the transporting of this oil from Gulf ports to North Atlantic ports will involve additional tank steamers not now easily available.

"It is essential to limit additional construction wherever possible, pending construction of additional transportation facilities, either in the form of pipelines, tank ships or tank barges.

"Oil stocks on September 1, 1917, and September 1, 1918, for kerosene, gas, oil and fuel oil were as follows:

Stocks	Kerosene	Gas oil, fuel oil
Sept. 1, 1917	11,600,000	11,375,000
Sept. 1, 1918	9,400,000	10,500,000

INITIAL PRODUCTION OF 1,000 BARRELS IS RECORD OF LEE WELL

Rex Oil Company, Breckinridge, Hare and Bundy Interested in Big Strike.

No. 2 BUTCHER, McCOMBS PROPERTY, IS FLOWING

Two Wells Reported From Lee County During Past Week Look Good For 400 Barrels.

One of the best wells completed in Lee county for several weeks was that reported here during the week, belonging to Hare, Cox and Bundy, and the Rex Oil Company, on the Martha Reynolds farm in the Big Sinking district. The well showed an initial production of approximately 1,000 barrels daily, when completed, and authentic reports are to the effect that it is still flowing. There is every indication that this well will settle to no less than 400 barrels. No. 4 on the same farm is credited with 250 barrels.

The Akers Oil Company has completed a 150-barrel well at No. 10, William Akers.

The Woolfolk Oil Company's No. 2, on the Crane property, is credited with a production of 20 barrels or better.

On the Clem William tract, the Pyramid Oil Company's No. 5 is rated at 200 barrels.

The McCombs Producing and Refining Company's No. 2 on the Real Butcher tract is flowing at 2 feet in the sand and will be shot. This well looks good for 400 barrels. No. 1 made 292 barrels in 18 hours on actual test.

The Cumberland Petroleum Company drilling at No. 6 Nannie Sparks, got a 30-barrel producer.

The Russell Oil Company got a 20-barrel producer at No. 18 Hall and Burke tract.

Estill County.

In Estill county, Ross Creek district, the Co-operator's Oil Company, composed largely of Lexington people, have completed a 5-barrel well at No. 3 J. F. Harris.

Late estimates on the well of the Bankers' Oil Company, on the Joel K. Hubbard farm, Ross Creek section, place it at 75 barrels.

The Syndicate Oil Company scored a 10-barrel producer at No. 10 J. F. Harris.

On the Arvin Heirs property, the Arvin Oil Company has completed a 40-barrel producer at No. 6.

On the Silas McIntosh property, the Long Drilling Company report a 25-barrel well at No. 4.

On the Campbell farm, at the head of Buck Creek, the Dixie Land Oil Company's No. 2 is credited with 10 barrels or better.

The Lincoln Oil and Gas Company, drilling at No. 6, Millie Freeman, has a well rated at 40 barrels or better.

The Irvine Field Oil Company's No. 4, Mary West, is credited with 20 barrels. The same company got a 10-barrel well at No. 7, D. H. Witt.

Owsley County.

In Owsley county, the Snowden Oil Company has completed a well on the Sherman Cooper tract, which looks like a small producer. Estimate have been given on the well as high as 75 barrels, but it is probable that the production will settle to 5 or 10 barrels. With the completions of this well, it looks as though a fair pool has been tapped between the Island City and the Lee county line.

OIL MEN WILL MEET WHEN FLU BAN IS LIFTED

F. B. Tomb, president of the Kentucky Oil Men's Association, who has been in Louisville for several weeks in connection with looking up some matters for the W. P. Williams Oil Corporation, has gone to New Orleans for a short stay. He reports that he will return to Lexington and reopen his offices, and call a meeting of the Kentucky Oil Men's Association as soon as the influenza epidemic subsides.

The Oil World

An Independent Weekly Newspaper Devoted the Oil and Gas Industry of Kentucky. A Medium for Both Operators and Investors.

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R. M. Nowell........................President
F. P. Thompson........Editor and Manager
Thos. M. Owsley......Act. Sec'y and Treas.

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To the Stockholders of the Oil Publishing Company:

The annual meeting of the stockholders of the Oil Publishing Company will be held at the office of the Company, Room 20, Phoenix Hotel, Lexington, Kentucky, on the 18th day of December, 1918, at 2 o'clock, P. M.

Signed,
E. M. Nowell, President.
Thos. M. Owsley, Act. Secy.

CAPITAL ISSUES COMMITTEE

Under a recent Act of Congress, the Capital Issues Committee, composed of seven members, is created with power to investigate, pass upon and determine whether it is compatible with the National interest that there should be sold or offered for sale or for subscription any issue or any part of any issue of securities issued by any person, firm, corporation or association, the total or aggregate power or face value of which issue of any other securities issued by the same person, firm, corporation or association is in excess of $100,000.

The following are extracts from the War Finance Corporation Act, to provide further for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to provide credits for industries and enterprises of the war, and to supervise the issuance of securities, and for other purposes.

Capital Issues Committee.

Sec. 200.—That there is hereby created a committee to be known as the "Capital Issues Committee," hereinafter called the Committee, and to be composed of seven members to be appointed by the President of the United States, by and with the advice and consent of the Senate. At least three of the members shall be members of the Federal Reserve Board.

Sec. 203—That the Committee may under the rules and regulations to be prescribed by it from time to time, investigate, pass upon and determine whether it is compatible with the national interest that there should be sold or offered for sale or for subscription any issue, or any part of any issue, of securities hereafter issued by any person, firm, corporation or association, the total or aggregate par or face value of which issue any other securities issued by the same person, firm, corporation or association, since the passage of this act is in excess of $100,000. Shares of stock of any corporation or association without nominal or par value shall, for the purpose of this section, be deemed to be of the par value of $100 each. Any securities which upon the date of the passage of this act are in possession or control of the corporation, association or obligator issuing the same shall be deemed to have been issued after the passage of this Act within the meaning hereof.

Penalty.

The Act further provides that for the willful violation of any of the provisions of this Act, upon conviction, there shall be levied a fine of not more than $10,000, or imprisonment for not more than one year, or both, and a like penalty shall be imposed upon any person knowingly participating in any such violation.

Preparation of the Application.

The Capital Issues Committee has issued certain regulations with reference to applications for approval of securities. For the guidance of applicants, it has made the following suggestions:

The purpose of the issue should be fully and accurately described.

The total capitalization of the company should be stated.

The last balance sheet and copy of charter and by-laws should be furnished.

The attested copies of votes authorizing the proposed issue should be filed.

The purpose of the issue should be fully described. If the purpose is to refund, pay or extend outstanding bonds, obligations or indebtedness the nature and character of the bonds, etc., to be refunded, the time and general purposes for which the unsecured indebtedness was incurred should be known.

If the issue is made for war purposes or to raise capital in connection with war contracts or war supplies or to provide equipment, buildings or facilities of any kind for war work, full description and amounts needed should be stated.

If any war purposes are involved, references should be made to the proper Governmental authorities in Washington and elsewhere to enable the Committee to obtain directly definite information to enable the Committee to obtain directly definite information and corroboration.

If the issue is deemed necessary for reasons of public health or welfare or other public economic necessity or on account of any Governmental requirement, National, State or Municipal, or for any commission or public authority same should be described in full.

If the issue is made for private financial requirements and no public interests are involved, a very clear exposition of necessity should be made and in all cases, full reasons should be given why the proposed issued cannot be postponed until after the war or why the necessity is greater than the paramount need of the National Government in conserving the financial resources, materials and labor of the country for the war.

"NOTES"

The Oil World is in receipt of the following "Notes" from a Kentucky oil operator, now recuperating from an attack of influenza at Victoria Texas:

Springing a New Story.

Going from Lexington, Ky., to Wartburg, Tenn., October, 1917, I read the following story in Harpers:

"A good old hen had hatched out a fine brood of chickens early in the season, some six cockerels and four pullets, and when they were big enough to go for themselves she said: 'Now my dear boys and girls, I am going to leave you to scratch for yourselves, as I am going to raise another family, but when I can leave them I will come back to see how you are getting along. You boys must take good care of your sisters, and you will all get along fine. So after the second family were big enough to leave alone she came back to see the first family, and soon found the four daughters, and after learning of their welfare she asked how the six big brothers were, and all four of these sisters very proudly, and solemnly said, 'Why mama, the Methodists had a meeting here all last week, and all of our big brothers have gone into the ministry.'"

When I got to the hotel for dinner at Wartburg they had chicken on the table, so I thought it was a good chance to tell this new story. Some of the guests laughed, and after they got quiet an old newspaper man, who ran the county paper and who sat next to me said: "Say, stranger, whar did you hear that old chicken story." I told him it was not old as I had just read it in Harpers October number, but he said, "It is not new. I am 75 years old, and when I was a boy on my father's farm in southern Tennessee the mountain Methodist preacher ate dinner at our house, and told that ar same story to us."

"Say, We Are Millionaires Now, Ain't We?"

Dr. Marcum, of Irvine, Ky., was a partner of the bunch who brought in the discovery well on Station Camp in June, 1916, some eight miles south of Irvine, and ten or twelve miles from production, and when the word was phoned in to his home about 4 p. m. he ran a square and bounded upstairs three at a time, into the company office and grabbed the writer around the neck and with an awful hug shouted, "say, Staigers, we are millionaires now, ain't we." I told him I was mighty glad to see him feel like one, and as soon as we had about 99 more such wells we would be sure enough millionaires.

The second funny part of it occurred next morning when his good wife told me she hoped we would not soon drill any more wildcat wells. Asking her why, she said, "Doctor was so excited last night he could not sleep, and he tossed around so much that he wore out two good sheets."

Made An Awful Mistake.

When quite busy in our office of two rooms over the post office at Irvine, Ky., June, 1916, there was a loud rap on the open door. I looked up and there stood a big mountaineer with his garb of blue shirt, overalls, slouch hat and muddy boots. He said "Howdy." I asked him to come in. He slowly moved in a step or so and said, "Be you one of them ar geologists?" I asked him what he wanted, and he said, "Say, brother, do you mind if I shut this ar door?" I told him to shut it, which he did, and then seeing the door open into the back room he asked, "Is thar any one in that ar room?" I told him no, and he asked, "Do you mind comin' in that ar room?" So we went in, and he said, "I's goin' to shut this door too," and he very carefully closed it, as I stepped to opposite side of a small table in center of the room, and thought surely I was going to get a good drink of "moonshine," but instead when he pulled his big hand out of the deep pocket of his pants he held a full Bull Durham tobacco sack which he very carefully untied, and pulled out a package tied with an old calico rag and shoe string. Undoing this he very carefully took out an Early Riser pill box, which he slowly opened, and proudly holding it close to my face said, "Say, brother, ain't that ar some fine gold." I reached for the box but he said "No, sir, you just look at that,' which I did more closely, and told him it looked very much like gold, but was an iron mineral of very little value and because it so much resembled gold was called "fool's gold." He said, "Be you sure of that?" and I told him I was. He set the box on the table, and slowly sat down on a chair and in a most sad and forlorn and dejected way said, "Wal, I have made an awful mistake. I found that stuff on a big cliff owned by a widow, and married that ar widow to get the gold, and now I haint got nothing." I said, "you have the widow, who no doubt makes you a good wife." He said, "what do I want with a widow when I was after that gold. I sure have made an awful mistake."

PEACE DOES NOT MEAN LESS DEMAND FOR OIL

Government Not Expected to Drop All Regulatory Power at Once Says Heads.

NEW YORK, Nov. 15.—What will peace conditions mean to the oil industry.

Will this mean that the men in the oil business will take up the operation of their various businesses just where they were when the government stepped in to oversee them last spring or will they have to meet new conditions?

Unless all the signs are wrong the men who expect to go back to carry on their business just as they did two years ago will find hard sledding. In the first place it will be some time before the government drops all its regulatory power over industry. One main purpose of that regulation has been to keep prices for all commodities at as near normal or peace levels as possible. If all the government regulations were removed it is likely the great demand for supplies and materials for manufacturing the goods of peace not alone in this country but abroad also would tend to advance prices, which would most likely be discouraged by the government. The easing off of government regulation will be a gradual one, it is believed, but the fact the period of government regulation has been such a short one will tend to mean that industry will regain its freedom of action to a greater degree than had we experienced government control for a period of several years.

The Petroleum Committe, its members believe, will end its existence at such about the time the articles of peace are signed. It may be kept in being or at least portions of it until the great volume of petroleum products now moving overseas for the military and naval forces of this country and its Allies is gradually backed up and diverted to other sources, however.

There are many leaders in the industry, moreover, who believe the lessons in co-operation the industry has been taught and has taught itself through war necessity will not be forgotten and that out of it may grow an association of some kind which will embrace the entire American oil industry.

While the end of the war will mean an end of the Fuel Administration, including the Oil Division, presided over by Director Requa, the division has no intention of going out of business until the peace treaty is signed at least.

Signing of an armistice with Germany would send the Fuel Administration to Congress for new legislation extending the authority conferred upon it by the Lever Law. President Wilson has not indicated what his attitude will be toward seeking to retain the autocratic powers conferred upon him by war-time legislation.

The end of the war will terminate the great majority of contracts under which the government is now buying all kinds of oil products. But it is safe to say the demands of peace will be great enough to leave no overproduction, for the present at least. Petroleum stocks in all countries of the world, this country excluded, are at low ebb and will have to be replenished from this country's resources. Neutral Europe has been rationed on oil products for some time and has almost gone without. Trade with far Asia has been greatly curtailed. The great loss of manpower in Europe is going to hasten the advent of power machinery for farming and other purposes as well. All of which will create a market for American oils.

In this country it is believed an oil age is at hand; that we shall use power from internal combustion engines on our farms as we never have before, and we shall use oil in many places where coal is now used, such as in heating plants for homes and in industries to a greater extent. The countrys natural gas resources are fast giving out. They must be replaced to a certain extent by artificial gas made partly at least from oil.

It is likewise evident that an extensive market for Mexican oil products will be created in this country after the war. There will then be available tankers to bring Mexican oil to American ports. This country's military strength, even though it be only potential, will be sufficient to maintain order in Mexico and allow the further development of the enormous oil resources. Because of the high productivity of the wells there, the cheapness of labor and the fact oil produced there can be piped easily to seaboard and loaded in tankers bound for this country, that oil can be delivered at seaboard points along our Atlantic coast, or Pacific as well at a very low price. Therefore it is going to be a strong competitor for oil produced in this country. There are many who believe the present reluctance to use Mexican oil because of its sulphur content will be overcome just as the prejudice against asphalt-base oils in this country has been overcome. As an indication of the market that may develop for Mexican oils in this country, three American refining companies are planning to build seaboard plants at the close of the war to run on Mexican crude.

AN' HE HAD.

An old Southern judge lost a mule for which he offered a reward. For days the whole neighborhood searched for that hybrid hawss without success. That reward was in demand. After everybody else had given up the idea of ever finding the animal, the town noaccount came up the street one day leading the long lost Alack.

"How in the name of the pink-toed prophet did you ever find him, Ben?" asked the astounded jurist. "Well, suh, jedge, Ah'll tell yeh," said the Hookworm One. "Ah jes' asked masc'f whur would Ah go ef Ah was er mewl. An' Ah went. An' he had."

"We fight with the world for an honest world, in which nations keep their word; for a world in which nations do not live by swagger or by threat; for a world in which men think of the ways in which they can conquer the common cruelties of nature instead of inventing more horrible cruelties to inflict upon the spirit and body of man; for a world in which the ambition or the philosophy of a few shall not make miserable all mankind; for a world in which the man is held more precious than the machine, the system or the State."—John Franklin Lane, Secretary of the Interior.

OIL RUNS.

WINCHESTER, Ky., Nov. 14—Runs for the week ending November 9, 1918, as reported by the Cumberland Pipe Line Company follow:

District	1	Busseyville	237.62
District	1a	Fallsburg	1,158.60
District	2	Cooper	680.82
District	3	Denny	282.96
District	5	Stubenville	679.67
District	6	Cannel City	192.58
District	7	Fitchburg	9,981.58
District	8	Ravenna	5,674.94
District	8a	Ravenna	4,008.28
District	9	Stillwater	429.28
District	10	Wagersville	375.23
District	11	Beaver Creek	75.52
District	13	Parmleysville	639.38
District	14	Pilot	6,042.18
District	15	Pilot	6,902.07
District	16	Zachariah	3,823.92
District	16a	Big Sinking	15,684.40
District	16b	Big Sinking	3,929.09
District	17	Ross Creek	8,809.54
District	18	Big Sinking	19,818.57
Total		....	89,426.21

EVERYTHING'S "FLU" NOW.

Got a little measly cold;
Spanish Flu.
Do your bones feel stiff and sore?
Spanish Flu.
Is it energy you lack?
Have you stepped upon a tack,
Got a crick in your back?
Spanish Flu.
If you have a swollen jaw,
Spanish Flu.
If your tooth is kinder achin',
If an illness you are fakin',
If your knees are a-shakin'
Spanish Flu.
Is your liver on the bum?
Spanish Flu.
Are you puddled up on rum?
Spanish Flu?
Have you stumped one of your toes?
Have you just a bleeding nose?
Or no matter what your woes—
Spanish Flu. —*Selected.*

USE OF TRACTORS IN EASTERN STATES

Increasing Number of Farm Machines Using Gasoline or Kerosene Reported.

WASHINGTON, Nov. 15.—Tractors using gasoline or kerosene are increasing in number on Eastern farms and have become an item of consumption that the refineries must reckon with. More than 250 New York State farmers have furnished to the United States Department of Agriculture detailed reports on their experiences with tractors during 1917 and the spring of 1918. These have been summarized by the Federal department to help farmers to decide whether a tractor would be profitable for them.

There is some slight difference in the fuel consumption between different makes of machines, and also usually a slightly lower consumption where gasoline is used instead of kerosene. For most purposes the figure of 3½ gallons of either gasoline or kerosene per acre of plowing will be as nearly accurate as any that can be used.

The fuel cost per acre for plowing with the tractor averages about 85 cents where kerosene was used, and 87½ cents where gasoline was used, not making any allowance for warming up the kerosene engine with gasoline. The quantity of gasoline required for this purpose is, in most cases, less than 1 gallon per day, and the extra cost for gasoline will usually not exceed 10 cents per day, and should seldom be more than 2 cents per acre plowed.

The average quantity of oil per acre used in plowing, for all tractors reported from New York, was nearly 1 quart. With oil at 40 cents per gallon (the average price paid for it), this would amount to 10 cents per acre.

The quantity of grease, or "hard oil," used also varies widely, but 2 cents per acre would be a reasonable figure.

DIRECTORY

FINANCIAL NEWS

MARKET LETTER

Of Kentucky Oil Exchange, Inc.

Lexington, Ky., Nov. 16, 1918.

Most hopeful reports reached the Exchange from the Kentucky oil fields in regard to the "flu" epidemic, which has been so prevalent there. The reports of completions for the week again reflect existing conditions. However, our information is that the epidemic has about run its course, and drilling operations should be normal within a very short while. The suspension by the Government of the draft will also be a big factor in labor conditions. As a matter of fact, the oil industry of the State is in a most optimistic mood, and every operator visiting the Exchange during the past week, has not only been a "bull" but a most enthusiastic one.

The pipe line situation is also "looking up." The Beattyville Refining Company has a three-inch pipe line running from the Big Sinking field to Beattyville. It is reported that they will try the experiment of taking the oil secured through their pipe line from Beattyville down the Kentucky river on barges.

The Schroer Transportation Company has just started to build a pipe line from the Big Sinking field to Belle Point. They, also, will probably experiment in the transportation of oil by barges.

The National Refining Company is building a three-inch pipe line from their own property in the Big Sinking to Beattyville. This company owns a large number of tank cars and will use these cars for the purpose of transportation.

The Lee Marketing Company is building a four-inch pipe line from the Big Sinking to Beattyville. This line will serve general producers. The company reports that they have secured 224 tank cars and will be ready to receive oil in about two weeks.

Our information is that the deal for the American Pipe Line Company, with headquarters at Bowling Green, has fallen through. This company has its headquarters at Bowling Green and is now receiving oil from the Allen county field. The Indian Refining Company is also receiving oil from this field at Scottsville. On the whole, the outlook is exceedingly bright for relief in some sections of the State for marketing oil, which has been found in such generous quantities.

We are also advised, there are now pending arrangements for the erection of another thousand-barrel refinery in Lee County. We hope to make definite announcement in reference to this within the next few days.

A development during the past week, of very great interest, is the public notice of the fact that meetings are to be held by the Pyramid and Puritan companies on December 3, for the purpose of considering the proposition of consolidating the two companies. There have been rumors for some time past that such a consolidation was under consideration, and at times, another prominent and successful company in the Lee county field, has been considered as a possibility in the combination with the two companies referred to. It is presumed, however, that the taking in of the other company has either been definitely eliminated or else postponed, pending further developments of the Puritan and Pyramid companies. We believe that the consolidation proposed is a wise one, and assume that the basis to be suggested will be equitable.

Two other companies also operating in the Lee county field have also perfected plans for consolidation. Official announcement is to be made during the coming week.

The Kentucky Oil Exchange, Inc., will open its Louisville office at No. 134 South Fifth Street, during the coming week. Arrangements have been completed for enlarging the investigating department of the Exchange, in order that the most serviceable information and advice may be given to the investors of oil stocks in Kentucky, and all interested are invited, at any time, to utilize the service of the Exchange in this respect. It is the primary purpose of the Exchange to assist in the legitimate development of the Kentucky oil fields, and to advise in directing investments in such a manner as to protect the public from any misapprehension as to the investments which they have under consideration.

The past week has been one of the most active in the trading of stocks since the organization of the Exchange. The principal stocks traded in were Bankers, Bourbon Oil & Development, Comet, Day Oil, Himyar, Hoffman, Lincoln, McCombs, Old Dominion, Puritan, Pyramid, Rex, Trinity and W. P. Williams.

There are many stocks which, at present prices, offer splendid chances for profit. We believe that the volume of money invested in Kentucky oil companies will rapidly and greatly increase in the immediate future.

Twenty completions were reported for the week, two of which proved to be dry holes. Estill county reported eight completions, ranging from 10 to 100 barrels. Lee county came in with nine producers, good for from 20 to 900 barrels; one flowing. Lawrence county reported one well, good for 6 barrels. Wolfe county reported one 30-barrel well.

Oil runs for the week were 89,426.21 barrels, a decrease of 4,376.48 from last week's runs.

KENTUCKY OIL LIST.

(Furnished by Kentucky Oil Exchange, Inc., Phoenix Hotel Building, Lexington, Ky.)

November 16, 1918.

	Last Bid.	Last Asked.
Alakyla	..	1.00
Arrowhead	..	1.00
Banner	..	.30
Bix Six	..	100.00
Bonanza	..	1.15
Blue Ridge	..	.50
Barnett	.25	.31
Bankers Oil	..	1.50
Big Four	..	6.00
Bourbon Oil and Dev.	..	2.00
Barrick Kentucky	..	.65
Cherokee	.24	.30
Colonial	120.00	200.00
Comet	1.00	1.15
Co-Operators	..	1.25
Cosden	7.30	7.50
Crown	.15	.20
Cumberland P. & R.	.16	.25
Day Oil	..	1.50
Daw	..	1.00
Erie	..	6.50
Farmers Oil	..	1.50
Federal	2.10	2.25
George Washington	..	.40
Gordon O. and G.	..	8.50
Green River	..	.50
Henry Clay	..	.50
Hecla	..	75
High Gravity	.18	.22
Himyar	..	1.50
Hopewell Petroleum	..	150.00
Hoffman	3.00	5.00
Ky. Fuel & Oil	..	10.00
Ky. Nat. Pet.	..	7.00
Ky. Colonels	..	1.00
Lexington Oil Corp.	..	1.30
Local Oil & Gas	..	1.40
Louisville O. & G.	..	1.00
Lincoln	..	.90
Mason & Dixon	..	1.00
McCombs	..	2.00
Monarch V. Pet.	..	1.00
Montezuma	..	1.00
Oleum Refining	..	2.00
Old Dominion	..	110.00
Pan American	..	.75
Penn Kentucky	5.00	5.50
Planet, with lots	..	.85
Pyramid	..	1.40
Peerless Oil	..	4.75
Petroleum Exploration	..	30.00
Puritan	..	.85
Quaker	..	.40
Republic	..	.20
Rex Oil	..	92.50
Security P. & R.	..	.50
Southern Oil of Lee	..	225.00
Snowden O. & G.	..	40.00
Station Camp	..	1.50
Stanton	1.50	1.65
Sturgis	..	1.25
Studebaker	..	1.00
Sturgeon Creek	..	1.00
Trinity	..	1.75
Thraman	..	1.00
Wyoming-Kentucky	..	.50
W. P. Williams	..	1.75

NEW YORK EXPORTS

NEW YORK, Nov. 8.—There have been no further developments in the nature of price revisions for export petroleum and the trend of the market is strong under unchanged conditions. The volume of export orders for the week ended today shows a fair gain over the preceding week's total. An unconditional surrender by Germany practically ending the war, according to views of leading local refiners, will have no bearing on the petroleum situation or the export movement in the near future. Gasoline requirements will play a prominent part in peace restoration in the rehabilitation of countries devastated by the world war. Owing to the enormous slaughter of horses in Europe, the development on an increased scale of commercial motor trucks, farm tractors, etc., is in prospect.

The local demand for gasoline for spot consumption continues seasonably active at unchanged prices. Refiners report an increased restriction upon available supplies is under consideration by the Fuel Administration based on a new system of conservation of gasoline supplies. Pledge cards for pleasure car operators are talked about. With prospects of cold weather near at hand, the demand for kerosene for heating purposes is broadening and the consumption during the winter is expected to reach new high records.

The American Petroleum League will meet in Chicago, March 18 to 21, inclusive, 1919. The convention will be one of the most important business sessions of oil men assembled and vital topics, as to problems, relative to after the war and reconstruction, will be threshed out.

Reports from abroad note that Germany's oil troubles are worse than ever before, as that country can no longer turn to Austria for supplies. Within German borders there are no supplies of fuel oil and Germany has been using benzol, a derivative of coal tar, for lubricating oil, which it is intimated, will not supply German requirements. Advices from Peru state that the International Petroleum Co., Ltd., has ceased work owing to the failure of the Peruvian government to meet the company half way in settling the long standing taxation controversy involving some $41,000 petroleum claims on the Breay Parinas tract. Owing to the shut down by the company, a serious fuel oil shortage is being experienced in Peru. The policy of the Peruvian government, according to reports, has resulted in the abandonment of plans, involving the investment by American interests of millions of dollars in that country in oil land development. The Peruvian government has refused to permit the American tanker Bradford, under charter to the International Petroleum Co., and the British tanker Lobo of the Lobitos Oilfields Co. to load oil at the Peruvian fields for Vancouver unless they first brought cargoes of oil to Callas to avert a serious oil famine in Lima. The Bradford cleared recently for a Mexican port in ballast. The famine is due to a lack of tank oil ships.

Ocean feright continues to be governed entirely by the tonnage and has undergone no change for the better. Ocean cargoes are moving satisfactorily and rates closed firm. Chartering for private account remains practically at a standstill. Charters for petroleum for the week ended today, involving crude and refined petroleum, also naphthas, as outlined by tabulated figures herewith, reduced to crude equivalent, aggregated 207,462 barrels, showing an increase of 67,034 barrels over the total for the preceding week.

The weekly review herewith, covering petroleum and products, involving transactions in export parcels, is based on f. o. b. terms, New York, comprising 200 to 299 packages, in cases and cans and 10-gallon drums, unless otherwise specified. In order to arrive at f. o. b. price of case oil, 110 fire test, in regular export cases, add delivery charges as per table below for quantity ordered, to base price as given in our market report herewith on standard white oil (water white sells at one cent a gallon higher than standard white). Lighterage charges are quoted in cents a gallons, covering delivery charges on case oil to vessels in New York harbor, lighterage limits, which are as follows: Ten to 99 cases, 2.15c; 100 to 199 cases, 1.65c; 200 to 299 cases, 1.30c; 300 to 399 cases .99c; 400 to 499 cases, .90c; 500 to 599 cases, .70c; 700 to 999 cases, .55c; 1,000 to 2,999 cases, .50c; 3,000 to 3,999 cases, .37; 10,000 to 19,990 cases, .33c; 20,000 to 29,999 cases, .32c; 30,000 cases and above 3.05c a case.

Transactions in illuminating oil involved about 137,000 barrels, showing a substantial increase on the basis of fixed prices and at 6½c a gallon for full cargo lots. Sales of illuminating oil in cases covered some 100,000 cases, showing a shrinkage booked on the basis of 16½c a gallon for cargo lots and 21¼ cents a gallon for 10 to 99-case lots. Of naphthas about 50,000 cases and over 20,000 cases, mostly in bulk, changed hands, showing a decrease. About barrels of lubricating oil were traded in, showing a shrinkage.

Clearances of petroleum at New York from January 1 to November 7, 1918, as outlined by tabulated figures herewith amounted to approximately 766,078,871 gallons, registering a gain of about 154,442,871 gallons, compared with the corresponding period of 1917.

CLAIMS LOSS OF $3,500 IN BUNCO OIL DEAL

Confidence Men Over-run Wichita, Kansas, and Reap Rich Harvest, Report.

WICHITA, Kan., Nov. 15--According to word received by the Wichita police department, George Wolf, alias Joseph Wolf, and W. R. Holt, both claiming Wichita as their home, have been held by the Oklahoma City police for the alleged swindling of one R. J. Malchow, of Leoti, Kan., on an alleged fraudulent oil deal involving $3,500.

Confidence and bunco men have been reaping a harvest in this vicinity, says Chief Zichefoose. Several cases within this city have been reported within the past few weeks, but, so far as is known, no Wichita residents have hearkened to the wiles of the get-rich-quick gentry.

TANK CAR RATES TO KENTUCKY UNREASONABLE

WASHINGTON, Nov. 15.—Rates on petroleum refined oil in tank-car loads from Franklin, Pa., to certain points in Kentucky have been found unreasonable by the Interstate Commerce Commission and reparation ordered in the case of the Standard Oil Company of Kentucky against the New York Central et al.

EPIDEMIC RAVAGES BLAMED FOR DECLINE

Field Reports for October Show Decline in Both New Work and Production.

NEW YORK, November 15.—The report from the various petroleum fields of the country, with the exception of California, for October, shows a decline in both completions and production. During the month in the fields east of the Rocky Mountains there were 2,129 completions, of which 479 were dry and 201 gassers. The new production during the month was 113,728 barrels as against 143,339 barrels for September, a loss of 29,691 barrels. The number of dry holes decreased from 502 to 479, and the gassers from 216 to 201. At the end of the month there were 1,421 rigs up, and 4,850 drilling wells as against 1,451 rigs and 4,716 drilling wells in September.

Eastern Fields.

There seems to have been a general slump during the week ending November 9, in the high-grade fields east of the Mississippi River, with a considerable decline both in the amount of new work and in the new production of oil. The influenza and other influences were directly responsible. The October field report shows a slightly larger number of wells completed, and also a larger new production when compared with September, but the change was not radical. The October totals show 429 completions as against 420; 2,993 barrels of new oil as against 2,749 barrels; 65 dry holes as against 60; 61 gas wells as compared with 62; while the drilling report shows an increase in six rigs and a decrease of 26 in wells drilling.

In Kentucky there was a decrease of 14 in completions, from 232 to 218, and of 541 barrels in new production, or from 6,194 barrels to 5,653 barrels. At the end of the month there was an increase of one rig and of 32 drilling wells or a net increase of 33 in new work. The principal cause of the decline was the influenza, which affected field work particularly.

The report for the week from the high-grade fields of the East showed an abrupt drop in the number of completions—from 193 last week to 138 for the period just ended, a decline of fifty-five. The production also showed a decline from 2,726 barrels to 1,614 barrels, a drop of 1,112 barrels. There was an increase of three gassers, and a loss of eight in the number of dry wells. For the first time in weeks Kentucky was forced into a subordinate place. Southeastern Ohio took the honors for the period with thirty-nine completions, as against thirty for Kentucky, and 621 barrels of new production as against 505 for Kentucky. The balance of the report was not of interest.

Oklahoma.

The Oklahoma division of the Mid-Continent fields shows the usual amount of work, but nothing out of the usual run in the way of completions or new production. The number of new wells holds about to the average number, while the production for Oklahoma stands at approximately 230,000 barrels. Okmulgee, the Osage, Garber and Billings fields were the center of activity during the period. The October report in this field shows 698 wells completed, with a new daily production of 24,536 barrels. There were 189 dry holes and 64 gas wells. This was a loss from September of six completions and 3,328 barrels of new output. At the end of the month there were 392 rigs reported, with 1,506 drilling wells, a decline of 10 rigs and an increase of 62 drilling wells.

Kansas.

The discovery of a new pool in Kansas in the Elbing field is apparently confirmed by the bringing in of a new well ranging from 300 to 400 barrels in new output on the Dedrick farm. Butler county still has no gusher report, although the regular completions continue, with wells of average size. For the first time in years there is plenty of water in Kansas at the opening of the cold season, which means that there will not be the customary relaxation in drilling because of water famine. The production during the week past averaged 101,000 barrels, of which the El Dorado district produced 67,000 barrels and the Augusta pool 10,000 barrels. The production from the other fields of the State was about 15,000 barrels. The report for October showed a list of 383 completions, with 15,354 barrels of new production, 78 dry holes and 20 gas wells. In September there were 372 completions, 11,994 barrels of new production and 80 dry holes. In addition there were 20 gas wells. Butler county had an increase of 4,000 barrels of new oil in October over September.

Gulf Coast.

While there was considerably more activity in the Gulf Coast field during the interval, with 32 completions, as against 16 for the week before, there was a sharp decline in new production to 1,220 barrels, instead of 2,825, the previous week's total. West Columbia, with two completions and 350 barrels of new oil, was in the lead, although there were eight completions in Humble. The new output there was but 105 barrels. The center of interest in the Gulf Coast just now is the Barber's Hill section, in Chambers county, were showings of 18 gravity and heavy black oil have been found in addition to one well with 23 gravity oil. The result has been an increase in trading there, with lease prices sky high. The report for the month of October shows a total of 108 completions, as against 115 for September, with 18,060 barrels of new production, as compared with 41,430 barrels for September. At the close of the month there were 69 rigs and 223 wells drilling, as against 90 rigs and 241 wells drilling in September.

Texas Panhandle.

The greatest activity manifested during the week was in the Panhandle district of Texas, with a gain of seven completions—or from twenty-eight to thirty-five—and a greater gain in production, or from 8,245 barrels for the previous week to a total of 12,410 barrels of new oil. Burkburnett took the honors with twenty completions and 6,480 barrels of new production; Eastland, with two wells, added 3,100 barrels of new output, and Stephens county, with two wells, is also credited with 2,700 barrels of oil. During October there were seventy-one wells finished, twenty-three of which were dry holes, and there were three gas wells and 13,715 barrels of new production. This was a gain over the previous month of eleven wells, seven dry holes, two gas wells, and a decrease in new production of 10,414 barrels. There were 351 rigs up and 1,005 wells drilling, putting the Panhandle field second in the list of active producers, with Oklahoma in the lead.

North Louisiana.

What is anticipated may prove a new pool has been opened in De Soto parish, North Louisiana, by the bringing in of a well rated at 1,000 barrels, in a vicinity tested at the time of the Crichton boom. The test went 100 feet lower than previous tests, and it is believed a new sand has been discovered. Despite the influenza and the partial shutdown of operations, the week has been an important one in Louisiana in regard to production, for in addition to the 1,000-barrel well in De Soto, a 2,000-barrel, 1,500-barrel and other wells of smaller capacity were brought in. Caddo is credited with eight completions and 5,610 barrels of new production. The report for the month shows a total of forty completions, thirty-four of which were in the Caddo field, while of the new production of 18,370 barrels Caddo is credited with 18,250 barrels. This is a loss of six completions for the month over September, but a gain of 620 barrels in new production. The pipeline runs for the month, however, show a decline of 65,605 barrels from the previous month.

Wyoming.

Interest in Wyoming still centers in the withdrawal of oil lands by the government, this time in the Lusk field, and should the action of the Federal authoritities mean the stoppage of new work there the result will be the withdrawal of one of the most promising petroleum fields in the entire State. The field is believed to contain approximately five times the drilling acreage of the Salt Creek field, which would put it on a parity with the most important oil sections of the country. What the producer cannot understand is why—in view of conservation orders and the known need of the government for oil it can get—this immense oil reservoir should be withdrawn at this time. The October report shows a total of 26 completions in the Wyoming field, with 3 dry and 3 gassers, while the production of new oil was not far from 2,300 barrels a day. This was a decrease from the September report of 34 completions and 3,362 barrels of new production. At the end of the month there were 50 rigs and 186 drilling wells, a loss of one derrick and of 14 drilling wells from the September report. The great difficulty in Wyoming at the present writing is to obtain adequate tankage, and well owners are having great difficulty in handling the oil produced.

Refined Products.

In the refined market, although the ban on Sunday gasoline has been lifted temporarily, the enforced and suggested conservation of refined products is having its effects. The demand for the gasolines and naphthas is still at high point, while the government demands for aviation gasoline forcing a number of refiners to withdraw several grades of high-gravity gasoline. Kerosene, mineral colza and the substitutes for turpentine are stronger, with a largely increased demand during the past few weeks, and the surety of a still greater demand for kerosene with the advent of cold weather and the scarcity of coal. Refiners are urging anticipation of requirements on the part of consumers. This also applies to fuel oil, and many large consumers are already carrying largs stocks, for gas shortage is already being felt. If last winter is a criterion the demand for fuel oil will be tremendous, and prices will be enhanced greatly.

In the lubricating group there is a shortage in cylinder stocks and stock blended oils, since the call upon production is exceedingly heavy, both for export and for domestic use. Viscous neutrals are in heavy demand, while the call for the non-viscous neutrals in reported light. Pennsylvania black oil is offered by the larger refiners, even in carload lots, but the demand is reported light. The demand for the paraffine waxes is increasing.

The facts of the matter are that there are not large stocks of all classes of oils. Some are in better supply than others, but the output of the refineries is going into consumption from day to day instead of into stock. Hence, the refineries are urging anticipation of requirements whenever such action is possible.

OIL TRADE NOTES

The De Jarnette Refining Company, of Montgomery, Ala., has increased its capital from $10,000 to $25,000.

The Sinclair Refining Company, of Oklahoma City, Okla., will erect a filling station at a cost of $6,000.

Amendment has been filed by the Alum Creek Oil Company, of San Antonio, increasing its capital stock from $35,000 to $100,000.

The Magnolia Petroleum Company, of Galveston, Texas, will erect a filling station at Oklahoma City, Okla., at a cost of $2,500. It will be of brick.

The Itasca Oil Company, of Itasca, Hill county, was chartered at Austin, October 30. Capital stock, $22,000. Incorporators: Ed. Woodall, G. L. White and G. D. Beavers.

The Waco Gasoline and Oil Company, of Montgomery, Ala., recently incorporated at Montgomery, Ala., with a capital of $15,000, will act as a selling agency for gasoline and oils.

The Texas and Pacific Coal Company, of Thurber, Texas, which recently increased its capitalization from $4,000,000 to $5,000,000 is reported to be planning oil land development and the erection of a refinery.

More than $12,000 worth of crude petroleum was spilled into the Desperes River at St. Louis last week when a string of tank cars en route from Oklahoma to a refinery at Wood River, Ill., left the tracks. Eight cars were derailed.

At a meeting of the Board of Directors of the Standa d Oil Company of California the regular quarterly dividend No. 40 of $2.50 per share was declared, payable December 16, to stockholders of record as shown by transfer books of the corporation in San Francisco and New York at the close of business November 15.

Stockholders of the Texas Company will be called upon December 16 at a special meeting to act upon the increase of capital by $15,625,000 in capital stock of which $13,875,000 will be issued to stockholders of record December 30 at par, $100 a share, on the basis of one share of new stock for each five shares now owned. This new stock will participate in dividends from July 1, 1919. The balance of the new stock, $1,750,000 is to be sold at par to a trustee for allotment and sale from time to time to employes of the company and its subsidiaries, in the discretion of the Board of Directors.

J. M. Byrne, a director of the Independent Oil Men's Association and a member of the National Petroleum War Service Committee, has been appointed by G. I. Sweney, president of the Independent Oil Men's Association, to represent that association as a delegate to the meeting of the War Service committees called by the Chamber of Commerce of the United States, which will be held at Atlantic City, December 4, 5 and 6, 1918.

According to John H. Stowe, purchasing agent of the Prairie Pipeline Company, pumping stations will be built at Ranger, Hico, Bryan and Cypress on the new pipeline to be built from the Ranger fields to Galveston. Five crews of surveyors are now at work on the right of way. Storage tanks at the different pumping stations will have a total capacity of 55,000 barrels. The tank site for the Galveston terminal will be on the mainland, at Virginia Point. Several storage tanks will also be erected at the terminal site on Pelican Island.

The Universal Oil Company, of Wilmington, N. C., incorporated with a capital stock of $50,000, and with John R. C. Boyer, of Cranford, N. J., as president, has purchased the plant of the Universal Oil and Fertilizer Company, of Wilmington, including a plot of ground, 306 by 330 feet. Plans have been arranged for discontinuing the fertilizer department and for the reconstruction of the interior of the plant as well as the installation of new machinery, with a view of increasing the capacity for the manufacture of cottonseed, peanut and coconut oils.

At a recent meeting of the Assam Oil Company in London, England, October 2, Lord Ribblesdale, who presided, congratulated the shareholders on the result of the year's work, which netted £20,000 more than the preceding year. Several reasons were noted for the increase in receipts, including the increased price of the product and the facilities for the production of larger quantities, owing to the receipt of a greater supply of crude oil. The capacity of the Assam Company will be extended as soon as the necessary equipment can be obtained.

The Sinclair Oil and Refining Corporation reports for the quarter ended September 30 net earnings from operations of $4,761,709, compared with $4,-407,661 in the June quarter and with $1,985,440 in the March quarter. The amount set aside for Federal taxes, in anticipation of the proposed increases in taxation, was almost doubled, so that after taxes and all other fixed charges and after setting aside $1,064,389 as reserve for depletion and depreciation, the balance carried to surplus was $2,418,542 compared with $2,487,649 in the June quarter and with $561,268 in the March quarter.

ALLOW FOR DEPRECIATION IN TAXING OF OIL WELLS

Committee Agrees That Average Life of Producer is Five Years —Will Tax Accordingly.

WASHINGTON, Nov. 15.—After election the Senate finance committee is going to report the revenue bill, to raise eight billions, with a provision in it that allows the discovery of oil without making the find a calamity to the finder. The committee has agreed to a scheme for the depletion of a well on the theory that it will last for five years. It allows an annual deduction of twenty per cent in the calculation of excess profits and income taxes. That is to say, if the production of the well for the first year is worth $1,000,000, one-fifth of that sum is deducted as depletion of capital before figuring on any kind of taxes is begun. There is to be an annual deduction of that fifth until the well is supposed to be exhausted.

That is the constructive work the committee representing the oil interests has been able to persuade the committee to do. The committee consisting of Henry L. Doherty, J. Harry Covington, John J. Shea, J. W. Zevely and Harry D. Williams is continuing its work with a view to persuading the committee that it should allow capitalists who are interested in a series of companies producing and using oil to offset the losses or failure to make an adequate return on the part of one company with the good earnings made by another, so that in the final analysis, the man or men who own a combination of companies will pay only on what he has left at the end of the year.

Thus far, however, the committee has sternly refused to allow a consolidated report to be made by anything other than industrial concerns that are physically united. That is to say, two plants owned by the United States Steel Corporation or its subsidiaries that are connected by a railroad owned by the same interests are entitled to make a consolidated report for taxation purposes, but if John Smith owns production, a refinery, a pipe line, an electric light and gas company, he must pay on the excess profits that may be achieved by one unit in his interests, even though the operations of the combined units show a net loss.

Certain Industries Excluded.

The bill as framed at the time this was written specifically excludes from the benefit of the consolidated report section, railroad, water, power and public utility corporations.

Acceptance of the depletion theory as to gas and oil wells pleases the members of the committee. They would not have been astonished had the committee been less liberal, because there is testimony about wells that have been producers for ten years or more.

The depletion allowance is one of the Gore amendments, modified by suggestions from the treasury department.

The finance committee members will work during the rest of the campaign but the northern senators must give some attention to their campaign. It is therefore agreed between them that the committee shall make no ecort to report the bill before election day. The original plan was to have the bill ready for reporting on October 29th, on which day Congress takes a recess to November 12th, but four days before that time the members of the committee came to the conclusion that they could not finish their revision, hence the determination to put off the reporting day until after the election recess.

CAN'T ESTIMATE VALUE OF VAST OIL LANDS HELD

Southern Pacific Railroad Holds More Than Billion Dollars Worth of Oil Property.

NEW YORK, Nov. 15.—The only safe basis of calculation in estimating the value of Southern Pacific Co.'s oil lands is production, although most of the estimates have started with acreage. The company itself attempts no estimate and the most that has been drawn from an official was a smile at the valuation of $1,000,000,000 made by a Government attorney.

On December 31, 1917, Southern Pacific and its subsidiaries owned 10,978,818 acres, of which Southern Pacific Land Co. owned 3,883,915. Of the latter acreage, some is timber, some desert, but a large proportion is in the so-called oil counties. In addition, a small oil acreage is owned by Central Pacific. Of the land which is classified, only a small acreage falls under the geological designation of "certain." The rest is known as "probable" and "possible." Moreover, these classification are subject to constant change. As new fields are developed possible acreage becomes probable, but only company drilling can establish the certainty of these lands. On the other hand, some land once classed as probable has become worthless as drilling has shown the confines of a pool to be outside company holdings.

All these lands were obtained under Federal grant of ten sections, to be selected alternately, on each side of the road. A very large of this acreage is on the market at $2.50 an acre. Buyers are not numerous at that price. Some of it is utterly worthless. Some of the best proven oil land may be worth $5,000 an acre. With the land constantly moving from one class to another, any estimate becomes a mere guess and not a very close one. The company does not even carry the land in its balance sheet.

Some of the litigation throws light on the value of the lands. In June, 1915, in the suit brought by the Government to establish fraud in obtaining patents to ten sections or 6,400 acres in Kern County, it was alleged that the land was worth $15,000,000, but its value was fixed by experts at $6,500,000, or about $1,000 an acre.

Several years ago in the Elk Hills district a pool of high gravity oil was discovered. Southern Pacific owned 6,109 acres adjacent to drilled lands and its propertf was classed as probable oil lands of the highest value. But the pool happened to be small and the company, after spending thousand in drilling, listed the lands as worthless. Meantime, the property had become involved in a suit which the Government lost in the Court of Appeals last April. During the course of this litigation, President Kruttschnitt offered to redeed the land to the Government for 15 cents an acre, provided the prosecution would clear the memory of several deceased officials of the road of the allegation of perjury.

The consolidated suit now pending before the Supreme Court involves 162,066 acres, all oil land, most of it producing oil land, containing by far the greater part of Southern Pacific production. Although more than 200 defendants are named with the railroad, the company is interested as owner or lessor in most of the area, having parted with very little of the land involved. The greater and most valuable part of lte acreage is in Sunset-Midway field, the most constant and reliable in the state. From the land under lease, the Southern Pacific receives from one-eighth ot one-fifth royalty.

Kern Trading & Oil Co., which was dissolved April 30, 1917, was owned by Southern Pacific and is now operated as part of its California Fuel Oil Department. Kern Trading & Oil owned and leased 66,288 in Fresno, Kern and Santa Barbara counties. It was capitalized at $7,000,000 and had outstanding $5,500,000 debentures, all of both issues owned by Southern Pacific, whose last balance sheet contained a write-off of $6,377,594 on account of the oil company.

The importance to Southern Pacific of its petroleum operations is shown in its correspondence last year on this subject. In May, 1917, the company was consuming 36,000 barrels of fuel a day and producing 28,000. A month later consumption had risen to 40,000 barrels, leaving a shortage of 12,000 barrels. At that time the company had only four months' reserve. The porduction was at the rate of 10,220,000 barrels per annum, while the annual report showed that the actual production of the Fuel Oil Department for 1917 was only 9,500,000 barrels.

The annual value of the output, based on the daily rate given in May and June, 1917, would be about $18,250,000, while the Fuel Oil Department for the year actually reported gross receipts of $17,000,000. Under miscellaneous physical properties, in the balance sheet as of December 31, last, in an item of $30,778,341, nearly all represented by assets of the Fuel Oil Department.

The net operating results of the Fuel Oil Department are not shown, but with fuel oil at San Francisco Bay $1.70 a barrel, it seems unlikely that this department is worth less than $10,000,000 net a year to Southern Pacific. It is a large part of the property operated by the Fuel Oil Department, and this profit that is involved in the consolidated suit, on which a decision is expected soon.

The other important oil interest of Southern Pacific is in Associated stock. The operations of that company are clearly shown in its own statement. The Associated stock owned by Southern Pacific has a present market value of about $14,000,000, but it is well known that the stock has not responded to the improved condition of the company, which found itself about two years ago in a weak position through its liability on many low-priced contracts in force during a rising market. This condition no longer exists.

Another subsidiary, East Coast Oil Co., operating in the Tampico and Panuco fields, produced 3,150,000 barrels last year and reported gross earnings of $1,300,000.

Properties now producing from nine to ten million barrels of oil per annum were nearly valueless twenty years ago. With the discovery of new fields and the extension of oil, it is impossible even to guess what value the future may impart to the thousands of acres listed as probable and possible oil territory.

CLERICAL ERROR LOSES $200,000 FOR COMPANY

Three-Year-Old Contract Results in Big Suit in Oklahoma.—May Be Appealed.

MUSKOGEE, Okla., Nov. 15.—Because of a clerical error, the Muskogee Refining Co. loses $200,000. A three-year-old oil contract, copied by a clerk from the original draft contained the error in question. The the agreement, the refining concern obligated itself to sell to the Pierce Oil Co. and the Pierce-Fordyce association its entire output of naphtha and fuel oil. The price agreed upon was 54 cents for whatever of these by-products could be extracted from each 42-gallon barrel of crude oil, which was the prevailing price for crude oil at the time the contract was made. As a basis for future prices to govern in event of fluctuating prices of crude oil, it was agreed that 55 per cent of a 42-gallon barrel of crude oil is consumed in extracting the by-products contracted for by the Pierce people.

As a further basis for fixing the price, it was agreed that at any time the price of crude advanced 5 cents, or dropped 5 cents, the price to be charged the Pierce people should rise or fall in a ratio in keeping with the standard on which the price was asked—54 cents per barrel.

The clerk made his mistake when he copied the provisions relating to the "rising and falling price of crude oil," by inserting the words, "fifty-five per cent.," instead of following the draft providing that the rise and fall of the market should maintain the ratio of 54 cents a barrel, and not "fifty-five" per cent. of the rise or fall of the market."

Crude oil was worth only 54 cents a barrel at the time the contract was made and began to rise soon after. Then the mistake was discovered. The refinery called the attention of the Pierce people to the error and asked that it be corrected, and when it was not done suit was filed in the superior court asking the court to re-form the contract according to the intent of the parties at the time it was entered into. The action in court was not prosecuted diliently, and all the time the refinery was furnishing the oils to the Pierce people at an advanced price and collecting only 55 per cent of the advance.

After the contract had expired by limitation the refinery caused the nature of the suit to be changed to a demand for the difference, and it was this case that Judge Nelson has just decided, and which shows that the refinery has lost $200,000 through the error made by its clerk.

The case was decided against the refinery for the reason that it continued to furnish the products at the price fixed by the error and it not now permitted to say that the price was not correct. It should have refused to furnish the products at the time the error was discovered, the court holds.

This suit—one of the big ones tried in the Muskogee courts, says the Muskogee Phoenix, has been pending for six years, and during that time two judges of the superior court have resigned, two of the original attorneys have died, and two or three officers of the refining company have died.

As many as three drafts of the contract were made and then the president of the Muskogee Refining Co., Walter Hennig, took the original draft to Pittsburg, Pa., and presented it to the board of directors of the corporation and it was scrutinized by the attorneys of the company there. It was brought back to St. Louis and the Pierce people went over it, and it was subjected to the scrutiny of its lawyers. Then it was brought to Muskogee, and an error was made in copying it which has cost the refining company a fortune.

Attorneys for the refining company gave notice of appeal.

CRUDE OIL PRICES.

The prices paid for oil of various grades by the purchasing agencies are:

Pennsylvania	$4.00
Corning	2.85
Cabell	2.77
Somerset	2.60
Ragland	1.25
North Lima	2.38
South Lima	2.38
Indiana	2.28
Wooster	2.58
Plymouth	2.33
Princeton	2.42
Illinois	2.42
Kansas and Oklahoma	2.25
Yale	2.28
Corsicana Heavy	1.30
Corsicana Light	2.28
Electra	2.28
Henrietta	2.28
Thrall	2.28
Strawn	2.28
Cushing	2.28
Crichton	1.75
32 to 34.9 Gravity Caddo	2.10
35 to 37.9 Gravity Caddo	2.15
38 deg. and above Caddo	2.25

DELAWARE CHARTER IS GRANTED KY. COMPANY

A Delaware charter has been granted the Penn-Tex-Ky Oil and Gas Company, a $100,000 corporation. The company will "acquire and develop oil and gas holdings in Kentucky, Texas and Pennsylvania," according to the charter. C. L. Rimlinger, M. M. Claneey and F. A. Armstrong, of Wilmington, Delaware, are the incorporators.

INVENTORY OF OIL PROPERTY BIG JOB

Experts Will Discharge Biggest Task of Kind Ever Attempted in U. S.

WASHINGTON, Nov. 15.—All of the oil property experts sent out by the Oil and Gas Section of the Internal Revenue Bureau, Treasury Department, to take charge of oil and natural gas property surveys in the various producing fields for the purpose of determining the income and excess profits due the government from these properties have reached their field headquarters and the inventory has started.

Ralph Arnold, valuation expert from the Internal Revenue Bureau, is in charge of this survey, which is expected to yield a big financial support to the government in running the war. The latest appointees to have charge of determining the depletion values in certain large producing areas are George B. Richardson, of Pittsburgh, in charge of the Appalachian field; T. E. Safage, of Urbana, in charge of the Illinois, Indiana and Western Ohio fields, and E. W. Shaw, of the Geological Survey, has been loaned to he Treasury Department, to supervise the inventory in the gas fields.

Complete in Two Months.

It is hoped by the Internal Revenue Bureau that this work will be completed in two months. It was originally planned to have it finished by December 1, but it is now recognized that this is practically impossible.

Daniel C. Roper, Commissioner of Internal Revenue, has sent a memorandum regarding the appraisals of oil and gas properties to interested parties, in which he says:

"One of the very serious problems confronting the Internal Revenue Bureau in connection with the administration of the income and excess profits tax laws is the appraisal of properties. In the case of properties acquired by taxpayers prior to March 1, 1913, an appraisal of the property as of that date is necessary; in other cases appraisals as of subsequent dates are called for.

"In so far as is possible this bureau desires to accept the valuations established by the taxpayers themselves, but in order that this may be done intelligently it is imperative that the bureau possess information regarding values in all pools or fields throughout the United States, not only as of the current date, but as of various dates as far back as 1912 or 1913.

"Blanks have been prepared with the object of acquiring first-hand information regarding actual cash values of properties based on prices paid in bona fide transactions. The information called for is necessarily of a confidential nature and will be so treated. Furthermore, the enormous amount of work necessary to take these records off the books, especially in the case of the larger companies, is fully realized, but it is hoped that, in view of the necessity of acquiring this information before most of the tax returns of 1917 and 1918 can be finally audited and closed, the request to fill out these blanks will meet with an immediate and hearty response from the taxpayers and others having the desired information.

Letter to Geologists.

The best possible explanation of the purpose and scope of this work and the methods of gathering the information desired by the government is contained in a circular letter sent by Mr. Arnold to all geologists and production engineers in the country. The main features in this letter are: Method of computing depletion allowances; principal problem is securing production data; gathering statistics of production per acre; incidentally securing appraisal and depreciation data; accuracy and completeness of records; representative and unusual records; nsusual conditions surrounding production; individual well records and tract records; securing data of completing wells from well logs; monthly records when annual records are not available; data regarding dicerent oil sands; securing all maps possible; appraisal data; depreciation data; data outside that particular district; new problems and suggestions welcomed; advice not to work up data in the field, securing opinions regarding minimum commercial production, if difficulty encountered in securing data Washington office should be notified; attention called to paper by J. O. Lewis and Clark H. Beal on methods of estimating future production; data of great value if accurate and comprehensive; data to be used for preparation of report on each field; data should be sent in as soon as possible.

From this it will be seen that the work in hand is the biggest inventory of its oil and gas properties that the United States has ever attempted. The information secured will be used as a basis for determining the future production of oil properties and will be of tremendous interest and value to the entire industry.

NEWS FROM WESTERN SECTION OF STATE

Rain Affects Operations in Allen County But Drill is Still Being Pushed.

Information from the western section of the state is to the effect that rain has affected oil activities there, during the past two weeks, and operations are somewhat retarded. The drill is still being pushed under the burden, however, and contractors are in demand, and in most instances are making $2.50 per foot.

A. G. Braswell has completed the sale of some 2,418 acres of leases west of Adolphus, in Allen county, near the Tennessee line to J. R. Thomas and associates of Missouri, according to an announcement made at Scottsville last week. The price paid for the leases was not made public. The purchasers are moving a rig to the property and will spud in at their first test this week.

The American Pipe Line Company is taking 30 barrels of crude a day from the Johnson farm in the Gainesville section of Allen county, through a two-inch line. Several of the wells in that section are flowing tanks full before the pipe line can carry out the oil, and it is necessary to shut them off. The Indian Refining Company has shipped out 1,200 barrels of oil from the Yessie Oliver, Andy Smith and William Foster leases in the same section.

The Omar Oil Company has "hooked up" four of its six wells and running oil into storage. No. 5 will be put on the pump next week. The latter was reported a 100-barrel well at 468 feet.

No. 3 on the Charles Oliver is credited with 150 barrels and is flowing. This well was drilled 462 feet to lower sand. Nos. 1 and 2 on this farm were completed at 375 feet and 395 feet and have 200 feet of oil in the casing.

Briggs and others got a well rated at 25 barrels at No. 1 Tabor at Sinking Springs Schoolhouse. The same parties have two rigs on the Andy Smith property, adjoining the Johnson-Moore wells on the west, in the Gainesville section. The Monarch Oil Company has started No. 3 Elmer Oliver in the Gainesville section.

Horn and others got a duster at No. 1 Hendricks, south of Settle, in the Gainesville pool, the first dry one for several weeks in that section.

The Bertram Development Company, of Indianapolis, have completed No. 3 Ogles. Nos. 1 and 2 on this property have been placed under the pump. This property is just south of the village of Petrolcum, near the old wells that were completed many years ago.

Braswell and Bradshaw have completed No. 1 Phoebe Oliver at 466 feet, in second sand. Nos. 2 and 3 are drilling.

At Adolphus, the Kentucky-Coast Oil Company is at work at No. 7 Dobbs.

E. R. List has let a contract for two wells to be drilled on the Nannie Merideth farm, north of Halfway. On the adjoining farm there are seven wells, averaging 10 barrels or better.

AVERAGE OIL OPERATOR EXPECTS PRICE RAISE

No New Fields to Increase Production May Result in Standard Increasing Price.

The average oil man is expecting an increase in price of the crude product at the wells. Taking the high grade fields as a whole no new fields have been found, and the wells that have been drilled have been very light outside of the Kentucky development. This would indicate that the other fields have been pretty well drained of the product and that to increase the production the wildactter must get busy and try to locate other fields. There is plenty of oil east of the Mississippi river, but it will take much wildcatting and plenty of money to find it, and if the average wildcatter could be given a chance to get out and do this work and have the required material, there is no doubt but what new and productive fields could be developed. Some of this kind of work is now being done by the Deming interests in Tennessee, and this development work is being closely watched by oil men from all over the country. The territory chosen by these interests look as likely for an oil field of prominence as any other spot in the country, and the fact that oil can be found in either deep or shallow sands makes the territory inviting to the small as well as the large operator. The drilling is being done on Pennsylvania formations, which is known to run in a southwesterly course from Southwestern New York to the Gulf of Mexico. This territory no doubt will prove productive, at least as much so as the developments in Kentucky, but a dry hole may be found which should not discourage the owner, as they are found in all fields and condemn but a few feet around a hole. There is one good thing about the high grade fields, the lands belong to the owner and can not be with drawn by the government. The withdrawal of lands by the government in the Western States has checked operations and caused operators to lose heart. They cannot credit the government with being consistent in its demands for more petroleum and then withdraw the most promising oil lands from rapid development. Since the first of the year with all the drilling done in the high grade fields the production is less than it was at the start of the year, and this will warrant better prices for the crude at the wells.

URGES CUTTING DOWN USE OF NATURAL GAS

Free Consumers in Kentucky Will Get Only 200,000 Cubic Feet Per Annum.

WASHINGTON, Nov. 14—The Fuel Administration recently gave out a notice concerning its latest conservation effort, which is the saving of natural gas at the expense of those who have contracts for free gas, as follows:

"The Fuel Administration, through its bureau of oil conservation, today sent letters to all natural gas companies in West Virginia, Ohio, Pennsylvania, Kansas, Kentucky, New York, Oklahoma, Arkansas, Louisiana and California, requesting that free consumers be limited to 200,000 cubic feet of natural gas per annum, and calling for a report of results accomplished on December 1.

"By free consumers is meant those users of natural gas who are relieved of payment because they have wells or pipe lines on their property. Up to this time the average consumption of free users in West Virginia alone has been 480,000 cubic feet per consumer per year. This is regarded by the Fuel Administration as causing a waste of at least 350,000 cubic feet per consumer per year.

"In addition to limiting free consumers the Fuel Administration further requests that the use of all open or flambeau lights be stopped and that all other wasteful practices by consumers be eliminated. The natural gas companies are informed that to properly carry out thees requests it will be necessary to place meters on all free consumers' service lines.

"The authority to make and enforce these requests is invested in the Fuel Administration through the Presidential proclamation of September 16, and by rules and regulations promulgated by Fuel Administrator Garfield on September 24, governing licensees engaged in the business of importing, manufacturing, distributing and transporting crude oil, fuel oil, gas oil, kerosene, gasoline and natural gas.

"In many instances boom towns in the gas fields have held out the inducement of supplying free gas or supplying it at ridiculously low prices to industries that would locate there. This is especially true of West Virginia, and has resulted in depriving many domestic consumers of an adequate supply of fuel for household use. It is estimated that there are 4,400 free consumers in West Virginia alone, and that the amount of waste from this source is 1,540,000,000 cubic feet per annum."

"IF."

If you can hold your head up while the others
Are drooping theirs from marches and fatigue;
If you can drill in dust that clouds and smothers,
And still be fit to hike another league;
If you can stand the greasy food and dishes,
The long, black nights, the lonesome road, the blues;
If you can choke back all the gloomy wishes
For home that seem to spring right from your shoes;
If you can laugh at sick-call and the pill-boys
When all the other lads are checking in;
If you can kid and jolly all the kill-joys,
Whose faces long ago forgot to grin;
If at parade you stand fast at attention,
When every muscle shrieks aloud with pain;
If you can grin and snicker at the mention
Of some bone play connected with your name;
If you succeed to keep your knees from knocking
At the thoughts of all the bullets you may stop;
If you can do these things and really like 'em,
You'll be a reg'lar soldier yet, old top.

—D. H. W. in "The Trouble Buster," United States General Hospital, No. 2.

TEXAS TOWN IS NOW FORREST OF DERRICKS

Fabulous Prices Reported Paid for Leases in and Around Burkburnet.

BURKBURNET, Tex., Nov. 15.—With the transforming of the town of Burkburnet into an old field there is hardly a vacant or occupied lot in town that is not being exploited for oil. The entire townsite is a forest of derricks. They are located in back yards and front yards, wherever there is sufficient vacant space upon which to put down a well. Day and night the sucker rods are working, the pounding of the drills, the whir of machinery and the pounding of many hammers goes merrily on.

Many property owners here who possessed nothing more than a vacant lot before the oil discovery have found themselves suddenly wealthy. Fabulous prices paid for oil leases of lots. Besides the cash that is usually obtained for the lease, the owner is given one-eighth royalty of all the oil that may be produced.

More than 200 companies have been incorporated to operate for oil upon the townsite of Burkburnet. The capital stock of these companies ranges from $20,000 to $50,000. New wells are being brought in every day. The total production of the field at this time is more than 30,000 barrels a day.

PROTECTION FROM TAX

(Continued from Page One)

the case of leases the deduction allowed by this paragraph shall be equitably apportioned between the lessor and lessee. In the case of a foreign corporation, the deductions under this paragraph shall be allowed only as to property within the United States."

Individual Income Amendment.

The amendment adopted by the Senate committee extending special protection in the payment of individual income tax by persons who sell mines, oil or gas wells, adds to the income tax title the following proviso:

"In the case of a bona-fide sale of mines, oil or gas wells, or any interest therein, where the material value of the property has been demonstrated by prospecting, exploration on development work due to the taxpayer, the portion of the tax imposed by this title attributable to the sale shall not exceed 20 per cent of the selling price of such property or interest."

Changes in Tax Bill.

The entire war profits and excess profits section of the war revenue bill was rewritten by the Senate finance committee, the alternative system of tax as fixed by the House being discarded. The flat tax rate was adopted. Under this system of war profits taxes, the corporation tax will be computed in three ways. As the section now reads it will be:

"1. Thirty per cent of the net income in excess of the excess profits deduction of 8 per cent of the invested capital.

"2. Sixty per cent of the net income in excess of 20 per cent of the invested capital.

"3. The amount by which 80 per cent of the net income in excess of the war profits credit or deduction exceeds the amount of the tax computed under the first and second brackets (or paragraphs)."

Definition of Invested Capital.

The definition of invested capital was changed so that "the increase in value of any asset above the original cost" may be included. Another change was that the original cash value of tangible property paid in for stock incorporation would be allowed, no matter whether it exceeds the par value of the original stock issued for it. The committee also adopted a "relief" clause for cases of taxation of invested capital, in which rigid rulings applied through existing laws would work hardship or injury.

The Senate committee cut in half the proposed automobile taxes inserted in the war revenue bill by the House. It imposed, however, a special federal tax upon each taxicab operated for hire.

CLASSIFIED COLUMN